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Development of the Provincial Bank of Hupeh Province

By King-On Mao, Hong Kong

Monetary bureaus representative of the late Ch'ing Dynasty were known as Provincial Banks. The same term was adopted by the Republic of China, after the Revolution of 1911. Provincial banks were the controlling monetary agents in their respective provinces, and might or might not be under the direct rule of the Treasury of the Central Government. The relation of a provincial bank with the Treasury was influenced by both politics and geographical location.

The historical development of the Provincial Bank of Hupeh Province can be divided into two eras: the one when it was known as the Hupeh Government Mint, and the one when its name was changed to Provincial Bank of Hupeh Province.

I. Hupeh Government Mint

In the 22nd year (A.D. 1896) of Emperor Kuang Hsu of the Ch'ing Dynasty, the Governor of Hupeh Province, Chang Chih-Tung, allocated 80,000 taels for establishing the Hupeh Government Mint. In the early stages, notes in denominations of 500 and 1000 Wen were issued. These notes were legal tender in private and official transactions, and were variously called Chih Ch'ien P'iao, T'ai P'iao, or Kuan (Government) P'iao. (c.f. Fig. 1).

In the 28th year (A.D. 1902) of Emperor Kuang Hsu, other notes of various denominations were introduced; these included Chih Ch'ien P'iao of face-values 1, 5 and 10 Ch'uan, Silver Tael Notes of face-values 5 and 10 taels, and Silver Dollar Notes of face-values, 1, 5 and 10 Yuan. (c.f. Fig. 2).

To extend its area of circulation and to offer additional convenience to the people, the Hupeh Government Mint opened up branch offices and authorized agents in a number of cities—the "Sand City", Yi-Chang, Fan-Chang, etc. The Hupeh Government Mint gradually built up its reputation, and the notes it issued circulated not only in Hupeh, but reached as far as Hunan, Kiangsi, and the adjacent area around the Yang-tse.

By the end of August of the 3rd year of Hsuan T'ung (A.D. 1911), the note-issues of the Hupeh Government Mint amounted to 20 million Ch'uan of Chih Ch'ien P'iao, 1.6 million Yuan of Silver Dollar Notes, and slightly over 1 million Silver Tael Notes. Reserve deposits of the Mint at that time

were as much as its investments; the credit of the Mint was better than acceptable, the actual value of its note-issues was 0.8–0.9% above face-value.



Fig. 1—Obverse

The Chinese Revolution began in October of the 3rd year of Emperor Hsuan T'ung, in the province of Hupeh. The Hupeh Government Mint thus financed a major portion of the military expenditure of the Revolution. Within two to three months, the entire reserve of the Mint was exhausted. To keep the Revolution going, the Hupeh Government Mint had to make use of the few million dollars of Silver Dollar Notes which had not yet been issued. Furthermore, the Mint printed and issued 10 million Ch'uan's worth of Government Notes to alleviate the acute problem of monetary shortage. This

marked the start of over-issues by the Hupeh Government Mint.

In the 1st year of the Republic of China, the amount of Silver Dollar Notes in circulation totalled more than six million Yuan. Proposals were introduced to reabsorb these

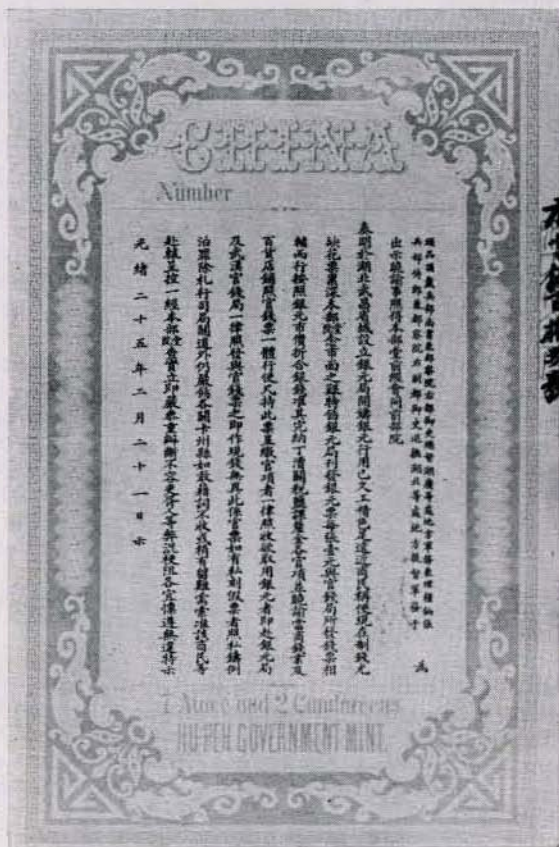


Fig. 1—Reverse

outstanding Silver Dollar Notes by printing 10 million Ch'uan of Government Notes. The result was that the Government Notes were issued, but the Silver Dollar Notes were not withdrawn. The credit of the Hupeh Government Mint thus deteriorated further. With its obligation to finance part of the Revolution, the Hupeh Government had to issue more and more paper-money. The value of the notes issued by the Hupeh Government Mint dropped by more than 60%.

In the 13th year of the Republic of China, the warlords of Hopeh Province suffered substantial losses in the war at

Shan-Hai Gate. When the war appeared to approach Hupeh Province, 5 million Yuan's worth of Government Notes were issued by the Hupeh Government Mint. Even with these excessive issues, notes of the Hupeh Government Mint could still circulate freely; and their value was still higher than the Copper Dollar.

An official report of the Hupeh Government Mint indicated that up till 28th February of the 15th year (A.D. 1926) of the Republic of China, the Mint had issued: 2,760 taels of 10-Tael Silver Notes; 465 Yuan of 5-Yuan Silver Dollar Notes; 64,552 Yuan of 1-Yuan Silver Dollar Notes; 2,000 Ch'uan Wen of 10-Ch'uan Wen Notes; 91,781,088 Ch'uan of 1-Ch'uan Notes; thus totalling 2,760 taels of Silver Notes, 65,017 Yuan of Silver Dollar Notes, and 91,790,013 Ch'uan Wen of Cash Notes.

In the autumn of the 15th year of the Republic of China, the Revolutionary Army of the Chinese Republic assembled in the city of Wu-Han. The Hupeh Government Mint ceased to operate; its notes became useless paper.

In January, 1927, the Treasury drew up regulations governing the issue of 20 million dollars of Hupeh Public Government Bonds. Of these 20 million, 7 million dollars were allocated to absorb back all outstanding Government Notes of the Mint. Although over 90 million Ch'uan of Government Notes had been issued, it was estimated that only 70 million were left after years of circulation. At an exchange rate of 1 Ch'uan for 10 cents new notes, 7 million dollars were needed.

Six million dollars of Public Bonds were issued; however, only 495,648 dollars were used to exchange for the old Government Notes.

In January, 1934, the Provincial Government of Hupeh issued 4 million dollars of Public Bonds in an attempt to shape up the economy of the province. Seventy million Ch'uan of Government Notes were replaced by 700,000 dollars of these Public Bonds. All the unrest caused by the Hupeh Government Notes finally came to an end.

II. Provincial Bank of Hupeh Province

In the 17th year (A.D. 1928) of the Republic of China, the provincial government of Hupeh devised plans to set up the Provincial Bank of Hupeh Province. The Preparatory Committee was organized in July of that year. Plans and regulations were drawn up and presented to the Central Committee in Wu-Han for approval.

Following approval by the Central Government of the Republic of China, the Provincial Bank of Hupeh Province began business in November, 1928 with a capital of 2 million Yuan National Currency. At the start, the Treasury of Hupeh Province assigned one and a half million Yuan to the Provincial Bank. Tank Yo-Jen was appointed Head of the Bank, and

Wang Chan-Pan his Assistant. The Bank was managed by a Board of nine members; and had its Head Office in Wu-Han, branch-offices in Han-Yang, Hankow, Yi-Chang, Fan-Chang.

In July, 1933, the Hupeh Treasury paid the outstanding



Fig. 2—Obverse

half a million Yuan capital of the Provincial Bank, for a total of two million Yuan. Of the 0.5 million Yuan, 136,013 Yuan and 73 cents came from the Bank's profit since 1928, 103,391 Yuan and 27 cents were collected from sales of public provincial properties, and 260,595 Yuan from Public Bonds income.

In August, 1933, the Provincial Government of Hupeh introduced amendments regarding the organizational structure of the Bank.

In September, 1935, the Governing Board of the Bank resolved to increase the capital of the Bank by 1 million Yuan.

Half of this came from the annual income of the Public Trust Fund, while the other half would be collected by the sales of additional Public Bonds dated 1935. In 1936, the Bank extended its business by starting a Savings Department and a Farmers Loan Department.



Fig. 2—Reverse

In August, 1938, the Bank's Head Office was moved to En-Shih, the new capital of the Province. In December, the Governing Board decided to increase its capital by another 2 million Yuan. An investment department was set up in the same year.

From the 2 million Yuan collected by issuing Public Bonds dated 1939, the Provincial Bank's paid-up capital reached 5 million Yuan by January, 1940.

In August, 1941, the Provincial Government of Hupeh, in accordance with the developmental scheme of the province,

decided to increase the paid-up capital of the Bank yet another time, to a total of 10 million Yuan. The extra 5 million Yuan came from three main sources: 2,750,000 Yuan from Public Bonds issued in 1939; 1,103,619.63 Yuan from Bank's operating profit between 1938 and 1940; 1,146,380.34 Yuan from Public Trust Fund. The Governing Board was also reorganized, with Chao becoming the Managing Director, and Chow being appointed the Bank's New Head.

After the end of World War II in 1945, the Head Office of the Bank moved back to Wu-Han. All plans were aimed at re-building the war-torn land of Hupeh Province. The capital of the Provincial Bank of Hupeh Province increased by another 50 million Yuan, half of which was given by the Provincial Government, while the remaining half came from sale of Local Public Bonds in the various prefectures and cities. The new Provincial Bank would not have any more "Head Officer"; the new boss would be known as the General Manager. Cheng Yih-Shah was the Bank's first General Manager.

Fig. 1. One Silver Dollar dated 21st February of 25th year of Emperor Kuang Hsu (A.D. 1899). The note was designed and engraved by Imperial Japanese Government Printing Bureau; and was issued under the name "Hupeh Silver Dollar Bureau". The value of One Silver Dollar was equivalent to K'u P'ing Taels 7 Mace and 2 Candareens. On the Reverse is a plate of regulations and the name "Hupeh Government Mint". Various sources indicate that less than ten of this note can still be found in the world.

Fig. 2. One Silver Dollar dated 1st January of 30th year of Emperor Kuang Hsu (A.D. 1904). The Chinese name of issue of this note is "Hupeh Government Mint"; but the Reverse shows "Hupeh Government Cash Bank", thus indicating that this note was one of the Kuan P'iao (Government Cash Notes).

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Albums and Holders for the Paper Money Collector

By Edward M. Carney

A problem encountered by most banknote collectors, at least once in their collecting careers, is finding the right album or holders for housing their collections. Since banknote collecting is a relatively new hobby when compared to stamp or coin collecting, most banknote collectors have a difficult time choosing an album that will suit their needs. The most important consideration when picking an album for a collection is to make sure that the pages are made out of a safe type of material that won't harm the notes which they touch. One of the worst materials for making album pages is Polyvinyl Chloride or PVC as it is commonly known. Album pages that are made out of PVC have an oily appearance when held up to the light. Also they generally feel rather limp and flexible, although some are stiffer than others, depending on their chemical make up. Many notes have been ruined from the oil in these PVC pages or holders. If you do use this type of album page, it would be best to place your banknotes in individual holders made of Mylar Polyester film or acetate which will protect the notes from the harmful effects of the vinyl. The best albums on the market today for housing banknotes have pages made from Mylar Polyester film or Polyester film and cardboard. Besides being free from the oily appearance of vinyl, Mylar is highly resistant to scratching, and is usually free from distortion. Mylar is also better than acetate for making album pages and holders because of the aforementioned ability to resist scratching, which is frequently seen on acetate holders that have seen some use. The cost of albums with Mylar pockets or pages is somewhat higher than those made of vinyl, but the extra cost is well worth the protection that Mylar provides. In this article, my intention is not to go into the chemical properties of the different materials from which albums are made, but merely to point out which albums and holders are the most suitable for banknote collections. A more in depth study of materials used for making paper money holders will be found in an article by W. H. McDonald in the I.B.N.S. Journal Vol. 12 No. 1 (Sept. 1972).

I will now go over some of the albums currently being sold. Most of these albums are made for stamp covers, stamp sheets, or for plate blocks, but are quite adaptable for housing a collection of banknotes. I should mention at this time that

I do not work for any of the manufacturers that I am writing about, nor do I sell any of the products that I am describing. The observations that I am making are strictly those of an interested collector. The descriptions of the following items are from catalogues or actual samples of the product.

The first album that I will describe is a stamp cover album by Elbe products, Inc. Fall River, Massachusetts 02722. Although designed for stamp covers, it would work just as well with banknotes. The album itself has 50 flip-up envelopes measuring $6\frac{3}{4}$ " x $3\frac{3}{4}$ " and each envelope is hinged with a spring steel rod. The stock number of this album is 440 and it comes with a matching slip case. Colors available are blue and maroon. This particular album would be fine if the collector only collects notes that are no larger than $6\frac{3}{4}$ " x $3\frac{3}{4}$ ", but if the series that you are collecting has notes larger than these, then this album wouldn't be suitable. A similar type album made by White Ace and available from the large stamp supply companies is the Allsyte cover album. Several sizes are available and they are basically of the flip-up design and hold fifty notes. If you use both sides of the envelopes you could house one hundred notes in one album. This album is also of the folio type and is available with a dust case.

Lighthouse albums, manufactured by Leuchtturm Albenverlag, Paul Koch K. G. D-2054 Feeshacht, W. Germany, are available from different suppliers here in the United States. Lighthouse makes a line of high quality stamp albums with several being quite useful for banknote collections. The plate block and currency albums. Block 3 and Block 5 specifically, would be most adaptable for this purpose. The block 3 album has white leaves with Mylar pockets on both sides of the leaves, while the block 5 album has black leaves with Mylar pockets on both sides. Both albums are luxuriously padded and come with a cardboard dust case. The disadvantage to these albums is that only the obverse of the notes may be seen. Also the height of the pockets is only 80mm, so again if you are collecting a certain series of notes that have dimensions higher than 80mm, these particular albums would be unsuitable. Lighthouse does manufacture stock sheets which $8\frac{1}{2}$ " x 11" which fit any standard 3 ring binder. They are similar to those pages in the albums, except that they come with different size pockets that will fit just about any size banknote. These also have pockets on both sides, and as with the albums, come with leaves of either white or black cardboard. Again the major drawback with the stock sheets is that only the obverse of the notes is visible.

Lindner-T, manufactured by Lindner of West Germany and available from various suppliers in the United States, also makes high quality stamp albums. Lindner makes an album which is made especially for banknotes. The number of this particular album is 2810. Four different types of pages are available for this album with one, two, three, and four pockets

as desired. Looking at the sample in front of me, I see that the page is made of acetate with welded seams, and that the side of the page, that is hole punched for the ring binder, is made out of stiff white cardboard. Not only is the page made out of a safe type of material, but banknotes mounted in such a page would be visible from both sides. Also the interleaves which go in between each of the acetate pages is made out of white cardboard. Since these pages could also be used for stamp covers, pages with black cardboard inserts are also available. This would double the capacity of the pages if you didn't mind not being able to see the reverse side of the notes. Another thing to consider about Lindner albums is that they make different binders for their pages. The least expensive are made of vinyl, while the most expensive are made of genuine leather. These binders are available in five colors.

Safe Albums, manufactured by Schwaebische Album-fabrik K. F., 741 Reutlingen, W. Germany, are distributed by Safe Publications, Inc. P.O. Box 263, Southhampton, Pa. 18966 in the United States. Safe is well known for the high quality stamp albums that they make. Recently they have started to manufacture an album with acetate pages ($7\frac{7}{8}'' \times 9\frac{3}{4}''$) that would be perfect for banknotes. This album, which is number 860, is actually intended to hold F.D.C.'s and souvenir sheets. The notes when mounted in these pages are fully visible on both sides and the interleaving is black. I might say that to my way of thinking a black background shows off banknotes better than a white background. The individual pages are available with one, two, or three pockets and the binder is made of high quality "Yokama" vinyl. The album comes in wine red, brown, or tan and a matching slip-case is available.

"Pat-See" products located at 2826 South Harrison St., Fort Wayne, Indiana 46807 stocks a fine selection of banknote holders made out of Mylar. Many different sizes are available designed to fit any size of banknote. These holders are of the finest quality and are made of .002 thickness Mylar. As mentioned before, Mylar is the best material to make holders for banknotes, with acetate being the next best material. Looking through "Pat-See" products price lists, I see that they have available flip card folios using Mylar inserts, also various other kinds of holders are available from "Pat-See" made of Mylar.

Whitman coin supplies which are made by Western Publishing Company, Inc. Mound Avenue, Racine, Wisconsin 53404 makes acetate currency holders in 3 sizes. There are heavier gauge than the Mylar holders that I just described, but some collectors of United States and Canadian size paper money like these holders because of their heavier construction. The main disadvantages to these kind of holders are that they are more easily scratched than holders made from Mylar and also they split more easily.

Another line of albums that I almost forgot to mention

is the Hagner line made in Sweden. These are rarely seen in the United States, but have some popularity in Europe. Stanley Gibbons, 395 Strand, London WC2R 0LX is the distributor for these. Looking at a sample page I see that they are of black cardboard construction with what appears to be Mylar pockets which are designed to be pulled back so that notes can be inserted underneath. The pages are designed to be used with the four ring binder made by the manufacturer. Until recently only one sided pages were available, but now double sided leaves have come on the market. Again as with some of the other albums of similar type, the major drawback with this type of album is that only one side of the note is visible to the viewer

In closing this brief overview of paper money albums and holders I will say a little about the Albert Pick paper money albums that most everyone saw advertized on the inside back cover of the second edition of the Standard Catalogue of World Paper Money by Albert Pick. Upon inquiring about these albums, I was informed by the publisher Dr. Ernst Battenberg that he only got 8 orders for the albums and that it didn't make sense to go into production with such little demand for them. I would have thought that because their large capacity that more collectors would have been interested in these albums, but such was not the case. I hope that through the foregoing review of albums and holders that the prospective paper money album buyer will have a better idea of what the market place has to offer in the way of albums and holders.

BOOK REVIEW

By Richard Kelly

Paper Money of the World by Richard G. Doty, 159 pages. Bantam Books, New York and London, 1977. \$2.25.

With full color illustrations on nearly every page and a text both readable and informative, this inexpensive paperback is one world paper money guide few collectors will want to resist. Dr. Doty opens with a history of papermoney from its beginnings to the present. He then surveys the issues of a number of geographical or political regions, these collectively covering the world. There are, for example, sections on France, the Iberian Peninsula, and the Indian sub-continent. Some helpful tips are given on how to build and care for a collection and there is an appendix, albeit too brief to be very useful, on the dating and reading of foreign-language notes. The strengths of this guide are its numerous illustrations, its attractive price, and its intelligent regard for the impact upon paper money of social, political, and technological developments. A larger, more comprehensive work from Dr. Doty would be most welcome (Novices are advised to ignore the caption to the top illustration opposite page 154—this is incorrect).

IBNS CONGRESS

"A GREAT SUCCESS"

For the eighth consecutive year, over two hundred members of International Bank Note Society from all over the world gathered in Victory Services Club in London for their Annual European Congress on Sunday 24th September, 1978 at 10 a.m.

Under the Chairmanship of Suresh Gupta—backed by a hard working Committee to whom he paid tribute in his opening address—the Congress was, as usual, a resounding success. Suresh Gupta extended special welcome to Don Carter, the new President of I.B.N.S. who had flown from the United States especially for the event, as had a number of American banknote dealers and collectors including the Treasurer of the Society Bill Stickles. He introduced all I.B.N.S. Directors and Officers present.

Don Carter reviewed the activities of the Society and the progress made by it since its birth in 1961. He presented the I.B.N.S. Literary Award to David August and Life Membership Certificate to David Keable.

Alistair Gibb, a Director of the Society and an Investment Banker gave a very interesting talk on 'A Serial Look at Notaphilly'. This was followed by a Lunch Interval, when members had the chance to admire various exhibits, visit dealers tables and view auction lots etc.

David Keable conducted the Auction of 112 Lots in the afternoon. A 1000 Rupees 1920 note was sold for £300 and a British Military Authority £1 note with Greece Overprint was sold for £155. Bidding was very competitive and it was a very lively auction.

Geoffrey Grant, the author of "The Standard Catalogue of Provincial Banks and Banknotes" gave a very descriptive talk illustrated by slides on "English Provincial Banknotes".

The main raffle prize of £50 cash donated by Stanley Gibbons was won by Mr. McCarthy. There were about 30 raffle prizes drawn in four instalments during the day by Fred Phillipson, Bill Stickles, Dr. David Atterton and Don Carter which created a great deal of interest.

The Judges for the Exhibits were Don Carter, Colin Narbeth and Chris Stocker. Marcus Grant won the Hill Trophy as Junior Award. C. J. Margesson won the McDonald Trophy as Historical Award. Tom Warburton won the Gibbons Trophy as All World Award. Tony Negri won the Keable Trophy as British Award. David Keable and Enid Salter won the special Award presented by George Webb. Best in Show—Spink Cup was also won by Tom Warburton.

At 6 p.m. goodbyes were reluctantly said, everyone

agreeing that all good things must come to an end and hoping to attend the ninth Congress next year.

Suresh Gupta
Chairman,



Amanda Salter wins a raffle prize from Fred Phillipson.



Don Carter, President, addresses Congress.



Organisers of Congress with the new President, Don Carter (extreme left) and William Stickles, Treasurer, from U.S.A. next to him.



Members in the Lecture Hall.

IBNS Member finds Republik Islam Hoard

By A. F. Nader

Information used here comes from David B. August, now of Freetown, Sierra Leone; Information Section, Consulate General of the Republic of Indonesia, New York, N.Y.; and Britannica Book of the Year, volumes for 1950 through 1965. The author is a member of I.B.N.S., World Paper Currency Collectors, and American Numismatic Assn.; and president of the Northern Valley Coin Club, Demarest, N.J., U.S.A.

The curio shop was closed, but the old night watchman listened politely as the foreigner explained that he wanted to buy Indonesian notes for his collection, including Japanese Invasion Money (JIM) of World War II. The old man took several ragged notes from his pocket and held them out. They were common 5 and 10-gulden JIM notes issued for the Netherlands East Indies, and the collector was about to refuse them when he noticed heavy purple stains on the face of one. Turning it over he read, overprinted in bold capital letters:

REPUBLIK ISLAM INDONESIA.

Thus did I.B.N.S. member David B. August discover previously unreported JIM notes that have survived from the unsuccessful rebellion of the Darul Islam party in Indonesia during the 1950's to 1965. The place of the discovery was Makasar, Sulawesi (Celebes Islands), and the time mid-1976.

Mr. August, a Britisher, found a few more of the 5 and 10-gulden overprints in other shops in the city—but most importantly, he learned that a box of notes existed in that area. He had to return to Jakarta, Pusat (Java), where he worked, but he later returned to Makasar and tracked down the box. Included with the overprinted 5 and 10-guldens were 1-gulden JIM notes and a few 10 roepiahs. Most exciting of all, about half the 10 roepiahs were unreported counterfeits! The 1 and 10-gulden notes made up about 74% of the hoard, equally divided, the 5-guldens about 16%, and the 10 roepiahs about 10%.

For collectors of Indonesian papermoney, the ISLAM notes have a dual interest. Previous to World War II and for two decades afterwards, armed revolt and civil war continued intermittently against the Japanese conquerors, and finally against the government of the Republic of Indonesia. The cataloguing of the many rebel issues of that time is still in progress. The ISLAM notes belong with the rebel notes but also with the JIM. For they are actual notes of the Japanese occupation that survived after World War II, were collected

from the people by the Muslim forces on Sulawesi, over-stamped locally, and used as the legitimate money in the areas the rebels controlled.

Issuer of the OP notes was a Muslim leader named Kahar Muzakkar. His forces were the last of the Dural Islam rebels to hold out in their fight for an independent Islamic state. Although most rebels on the many other islands surrendered under a government amnesty in 1961, Muzakkar's men continued fighting.

The story is told in Makasar that Muzakkar's second in command, Osman Barlont (spelling uncertain), came to that city under a true flag to arrange an end to the rebellion. He and his men were ambushed; thereafter, Muzakkar fought on until killed in 1965. The 1-gulden OP bears only Barlont's signature as ketua (chairman or head official) of the provisional rebel government of Timur (Eastern Indonesia). All other notes carry both his signature and that of Muzakkar as military governor. The Muzakkar signature is hidden in an elaborate scroll, in the Muslim tradition (see photos).

A close study of these note by Mr. August and the author leads to the conclusion that all were hand-stamped with rubber stamps, using inking pads. The overprints vary from straight horizontal, neatly centred, to tilted impressions, up or down and to the right or left of center. All notes were meant to be stamped on the reverse, but a few were stamped on the face or on both sides by error, as indicated hereafter.

At least four basic colors of ink were used. Five other colors used may be basic colors in part, but seem to be more the result of weathering or fading. Purple and black are, by far, the most common colors. A red ink—probably of writing quality rather than indelible quality—faded so badly that many notes in the hoard show a red-colored reverse with no evidence remaining of the OP (possibly the result of wetting). Since the inks were thin, many of the OP's strike through to the face of the note. At least 90% of the notes were well worn when stamped, so the impression is often poor due to the soiled paper. Also, uneven inking often produced some clear words and some illegible ones on the same note.

The type faces show a fascinating variety. The rubber stamps were made from type that was probably hand-set by different persons or in different shops, using available types. Some show setting errors such as a wrong letter or no spacing between words. The stamp-makers followed specified standards, however, in that the large first line is always set in capital letters and the smaller second line in capitals and small capitals, with one exception as described later.

The author measured type sizes and tabulated the kinds of type faces for a sampling of each note—enough to convince him that further detailed study of this aspect would serve no useful purpose. For example, in the 10-gulden notes studied, four different type faces (serif, sans serif) and type styles

(regular, condensed) were noted. Mr. August measured the first line of the OP on all notes in his personal collection, so we will show these measurements in the descriptions that follow. We'll also list typical type sizes, as measured on the face without the shoulder, plus other information of interest. We will not describe the basic JIM notes, for these are described in the "Standard Catalogue of World Paper Money" by Albert Pick (catalogue numbers given here).

1 gulden (Pick 42b): Single signature only; long line 76 to 93 mm., 18 pt. type; short line 10 pt. type; ink colors: purple, black, green, red, orange-red, pink, purple-red; two variations: single-signature OP on face and back, single-signa-



Obverse and reverse of a 1-gulden note (Pick 42b), showing a clear overprint with the Barlont signature only.



ture OP on face and double-signature OP on back; two probable counterfeits: long line upside down and mirror image, false signature; Indonesia and second line spelled wrong, doubtful signature.

5 gulden (Pick 43b): Double signature only; long line 87 to 97 mm., 22 pt. type; short line 11, 12, or 14 pt. type; ink



A very clear overprint on a 5-gulden note (Pick 43b), showing the Barlont and Muzakkar signatures; and a typical poorly inked overprint on a 10-roepiah note (Pick 50).



colors: purple, black, red, orange; two error notes: S reversed in Indonesia, wide-type M in Islam (other type condensed) and H for N in Indonesia.

19 gulden (Pick 44b): Double signature only; long line 87 to 98 mm., 22 or 24 pt. type; short line 12 or 14 pt. type; ink colors: purple, black, green, red, blue, orange; error note; no spacing between words on long line; two variations: double-signature OP on face only, double-signature OP on face and back.

10 roepiah (Pick 50): Double signature only; long line 95 to 99 mm., 20 or 22 pt. type; short line 11, 12, or 14 pt. type; ink colors: purple, black, red; error note: square O instead of U in Republik; two variations: elaborate S in Islam but not in Indonesia, double signature OP on face only.

Malaysia \$10 (Pick 24c): One of these notes was in the hoard, with double-signature OP on the reverse. The long line measures 94 mm. and is printed in black ink.

Counterfeit 10 roepiah: It's surprising that this note, an obvious local counterfeit of World War II, had not been discovered previously and reported in the numismatic press. Although printed on a good quality of paper by lithography or photo-offset, the reproduction of the art work and guilloches is greatly inferior on both the obverse and reverse. Most fine lines are incomplete, and the plate letters SL, overprinted in red on the face, do not match the type used on the originals.

The counterfeits are all badly wrinkled, as though they had been deliberately crumpled at some time; and most have scorch marks on the right or left edges that on some notes extend into the design. It's easy to speculate that they are probably the remnants of a burning by the Japanese or other authorities, salvaged at the time by local people, perhaps, and put away until Muzakkar's men collected them along with other available JIM. The notes studied by the author bear overprints as follows:

Specifications: Double-signature only; long line 91 mm., 20 pt. type; short line mixed fonts of 10 and 14 pt. types, some words all-capitals and some capitals and small capitals; ink colors: purple and black (most are black); two error notes: no SL plate letters on face, square O instead of U in Republik; error on all: no space between words of the long line; variation: some long lines have an elaborate S.

TRANSLATION OF THE "REPUBLIK ISLAM INDONESIA" OVERPRINTS

1. ONE-SIGNATURE OVERPRINT WITH TRANSLATION:

REPUBLIK ISLAM INDONESIA
KETUA P.U.S. RII-BG: TIMUR
(Barlont signature)

Abbreviations stand for:

Ketua Pemerintah Umum Sementara, Republik Islam Indonesia-Bagian: Timur.

Translation:

Chairman, Provisional General Government, Islamic Republic of Indonesia, East Indonesian Region.

2. TWO-SIGNATURE OVERPRINT WITH TRANSLATION:

REPUBLIK ISLAM INDONESIA
KETUA P.U.S. RII-BG: TIMUR
(Barlont signature)

GOVERNOR MILITER RII-BG: TIMUR
(Muzakkar signature)

Left line same as above line and translation

Right line abbreviations stand for:

Gubernur Militer Republik Islam Indonesia-Bagian: Timur

Translation:

Military Governor, Islamic Republic of Indonesia, East Indonesian Region.

(Translation courtesy of David B. August and the Consulate General, Republic of Indonesia, New York, N.Y.)

Thai Banknotes

Fifth Issue

(Japanese Printing)

By Charles Stewart

On the entry of the Japanese Forces into Thailand on the 8th December 1941, it being impossible to secure supplies from any other source, the Thai Government turned to the Japanese Government, who nominated Messrs. Mitsui Bussan Kaisha to handle the business and make arrangements with the Printing Bureau of The Ministry of Finance for the production of the required banknotes.

There are seven sizes for the seven values printed for this issue with colours and dates gazetted as follows:

Note Value	Size	Date Gazetted	Colour
50 Satang	6.3cm x 11.7cm	16th Apr. 1942	Green with pink overlay on obverse only
1 Baht	6.5cm x 12.5cm	10th Sep. 1942	Brown with pink overlay on obverse centre
5 Baht	7.5cm x 13.5cm	30th July 1942	Green with light brown overlay on obverse only
10 Baht	8.5cm x 14.5cm	28th May 1942	Mauve with light brown overlay on obverse centre
20 Baht	9cm x 15.5cm	18th Aug. 1942	Light Blue with light mauve overlay on obverse centre
100 Baht	9.5cm x 16.5cm	20th Oct. 1943	Reddish Purple with light yellow overlay on obverse only and pink and blue on central pattern
1000 Baht	10cm x 17.5cm	11th Sep. 1944	Yellowish Olive with reddish overlay on obverse centre and blue and straw on central pattern

Obverse: The design for the 50 satang note is less elaborate than for the baht values, having no pictures incorporated in the design. Contained in an engine turned frame to the right is a frontal portrait of King Anandha Mahidol with a representation of a Garuda in the upper left hand corner and the constitution on a paan or ceremonial vessel in the bottom right. The value in Thai numerals and letters and in Arabic numerals and Roman letters are in the top right and bottom left hand corners respectively. To the centre left is an engine turned design in the overlay colour with the words "Government of Siam". This Banknote is Legal Tender In accordance with the law and the Value in standard. Thai spelling in three lines superimposed. The designation "Minister of Finance" is in

the bottom centre with the signature immediately above in black.

The design for the baht values differ from the 50 satang value by having the Garuda in the top centre, the value shown in numerals only with an additional Thai numeral in the upper left hand corner and a standing three headed elephant in the bottom right hand corner. All the baht values have the constitution on a paan or ceremonial vessel as a watermark. The 100 Baht and 1000 Baht values have the spelling in the shortlived simplified spelling system.

1 Baht: The central design shows a representation of Wat Phumintr in the town of Nan.

5 Baht: For the central design this value shows a representation of Wat Benchamabophitr (The Marble Temple).

10 Baht: This value has a representation of part of the wall and a gateway to Wat Chetupon (Wat Po).

20 Baht: The Aisawantiphaasna Throne Hall at Pang-pain summer palace balances the Kings portrait for this value.

100 Baht: The central design shows a representation of Wat Arun (The Temple of the Dawn).

1000 Baht: Shows a representation of The Chakri and Dusit Maha Prasad Throne Halls.

Reverse: For all seven values a picture of The Emerald Buddha section of The Grand Palace in various elaborate frames, with Thai numerals of value to the right, and Arabic numerals of value to the left, of the picture.

Serial Numbers etc.:—

50 Satang: One type only Arabic numerals and Roman letter in red in upper left and right hand corners. Plain paper without silk threads.

1 Baht Type I: Roman letters and Arabic numerals in red in upper left and right hand corner. Thai letter and numerals in bottom left hand corner. Plain paper without silk threads.

Type IIa: As type I but Arabic numerals in lower left hand corner.

Type IIb: As type IIa, but blue and red silk threads in the paper.

Type III: As type IIa, without serial number in lower left hand corner and Thai letter instead of Roman in upper right.

5 Baht Type I: As for type I. 1 Baht.

Type II: As for type IIb. 1 Baht.

Type III: As for type III. 1 Baht.

Type IV: As for type III but reverse mauve and watermark printed.

10 Baht Type I: As for type I. 1 Baht.

Type II: As for type IIb. 1 Baht.

Type III: As for type III. 1 Baht.

Type IV: As for type III but reverse yellow Olive and watermark printed.

20 Baht Type I: As for type I. 1 Baht.

Type II: As for type IIb. 1 Baht.

Type IIa: As for type II but Thai letter instead of Roman in upper right hand corner. P P P only.

31 32 33

Type III: As for type III. 1 Baht.

Type IV: As for type III but reverse printed in Vermillion.

100 Baht Type I: As for type III. 1 Baht.

Type II: As for type I but reverse Blue.

1000 Baht: One type only as for Type III. 1 Baht.

The ministers whose signatures appear on Fifth Issue Banknotes (Japanese Printing) are as follows:

From: 16th December 1941–31st July 1944 (First Office)
MAJ.GEN. PAO PIERLERT BORIBHANDYUDDAKICH
Signed: P. BORIBHANDYUDDAKICH

From: 1st August 1944–9th January 1945
NAI KHUANG APHAIWONGSE
Signed: KHUANGAPHAIWONGSE

From: 10th January 1945–31st August 1945
NAI LENG SRISOMWONGSE
Signed: LENG SRISOMWONGSE

The Account Books of St. Christopher Le Stocks

By Geoffrey L. Grant

The Church of St. Christopher le Stocks is known in banking history as the immediate neighbour of the Bank of England's original Threadneedle Street building. After the Gordon Riots of 1780, the Bank bought the church for demolition and used the site for subsequent extension of the Bank.

The account book here examined is for the period 1662–1685⁽¹⁾: it consists of the transactions, in cash book form, of the various churchwardens in charge of the finances. Unfortunately, individual transactions are rarely dated and it is likely that the book was written up only prior to the audit (by other wardens) that took place every year, resulting in a certificate of cash and other assets in hand and to be passed to the next warden in charge.

St. Christopher's was also the family church of Sir John Houblon, the first Governor of the Bank, and we see, for 1684/5:

Received of Mr. Houblon fine for Churchwarden £20

and again:— Received for burial of Mr. Houblon's child 16/6d

After the Great Fire of 1666, the additional finance necessary for the rebuilding of the Church involved notes of three of the best known banker goldsmiths of the period— Isaac Meynell and Partners; Gilbert Whitehall; and John Colvill.

It is not clear how Meynell's note was first acquired. The Audit certificate for 1672 describes it as:

A note for £200 payable by Mr. Meynell.

Possibly it was part of a receipt in 1671/2 as follows:

Received in Money and by Bill of Mr. West being money lent by Mr. Brewer £500.

in which case Mr. West may have been Meynell's employee, although there is evidence to suggest that he was a Scrivener. We can not tell if the bill was received prior to the stop of the Exchequer in January 1672, but was certainly in possession by May 1672. Interest was paid at 6% p.a. to Mr. Brewer on the £500, and was also received at the same rate (the legal maximum) on Meynell's bill.

In the account for 1672/3 is the following:

Rec'd. of Mr. Meynell per Bill payable to Mr. Grey,	
the Joiner	£100
Rec'd. more per bill of Meynell	£100
Paid Mr. Grey per Mr. Meynell	£100

So the Church, with rebuilding payments to make, and little hard cash, had requested Meynell to replace his bill with two others, each for £100, one for the Church to pay Grey, and

one to keep. This is, of course, after the Stop, and we may wonder why Grey was content to receive payment in this form. Presumably there was a high expectation that the Exchequer would resume payments quickly.

The retained note is better described in a later entry:

Rec'd. a note under the hand of Gilbert Whitehall for

Mr. Isaac Meynell & Co. for £100

The purpose of this entry is simply to record the receipt of this note by the current warden from the previous holder of the office, but the description is of particular interest because it shows that Whitehall was an employee (or, much more likely, a partner) of Meynell. This explains the difficulty referred to by Richards⁽²⁾ who noticed that Meynell was an important creditor of the Exchequer prior to the Stop, but did not feature in the general assignment of the Exchequer debt in 1677/8: whereas Whitehall is included in the settlement although Richards could not trace any previous transactions between Whitehall and the Exchequer. Clearly, the debt appearing in Whitehall's name—almost £250,000—was, largely or wholly, the money due to the earlier firm of Meynell and Partners.

Interest was received on Meynell's bill at various times before 1677, but insufficient detail is available to judge whether it was received regularly and promptly. However, he was paying interest before 1675, when the Exchequer first released interest monies on the amounts involved in the Stop.

Further evidence of Whitehall's succession to Meynell's business is available in an entry for 1678/9:

Rec'd. at the Excise Office for interest on Mr. Meynell's money £3.

and the audit for May 1679 shows why:

Remaining in the hands of (the churchwarden) an assignment of Mr. Gilbert Whitehall on his Majesty's Exchequer for £6 p.a. in lieu of £100 formerly left in Mr. Meynell's hands.

Meynell had died in 1675. We now see the operation of the 1677/8 assignment of Exchequer debts from the point of view of the goldsmiths' creditors. Richards states that the creditors had to deliver their security to the Exchequer in exchange for an assignment, and the cash book records that event:

Paid for entering the Assignment of Mr. Meynell at the Exchequer and spent 18s 6d.

Dickson⁽³⁾ states that interest on the assignments was paid fairly regularly until 1680, but then fell into arrears, interest for 1683 being paid in 1688. The cash book shows that this is correct, but that the matter was more complicated, as the Church was required to obtain a tally for each interest payment (of £3) and then wait for the tally to be paid in due course. At first, the cash book records two tallies received and two redeemed in each year. The strain on the Exchequer

shows after March 1681, from which time on the tallies are struck for only one quarter's interest at any one time. The Audit for May 1683 records outstanding:

two tallies due at Midsummer and Michaelmas 1681, each of them for thirty shillings—(and also) due from his Majesty's Exchequer six quarters at Our Lady Day last—showing, as we may have expected, that tallies were struck only when income could be appropriated to meet their eventual redemption. The two tallies above were paid in about April 1684; when the book ends at May 1685, one tally due Midsummer 1682 is unpaid and six quarters "due Lady Day Last" are outstanding, that is, tallies not yet struck.

The remaining goldsmith involved was John Colvill, whose bill was received in 1670/7 as follows:

Rec'd. of the Chamberlain of London £476 12 3d whereof £120 is in Colvill's hands not rec'd as by a note of his hand appear.

and is better described in the same entry that first mentioned Gilbert Whitehall:

Rec'd. a note under the hand of Robert Bowdes for John Colvill Esq. for £200 whereof £80 rec'd, rest principal £120.

Obviously, a previous holder had received the £80, for the note was recorded as £120 at inception. Bowes was evidently Colvill's clerk, and this was probably a demand note which had been partly paid. It was still in the Church's possession when the book ends in 1685, no interest being received at any period for this item. Colvill had died in 1670, about—possibly before—the time the note was received. His widow married the goldsmith John Lindsay, who represented the Colvill estates in the assignment of the Exchequer debt. Lindsay himself was bankrupt in 1679. Why this note was not included in the assignment is not clear, for although participation by the goldsmiths' creditors was voluntary, the Church had accepted the assignment for the Meynell debt, and presumably would have done so for Colvill's note. Possibly, if the note was payable to bearer, the Exchequer may have refused to accept it as a valid charge on Colvill's estate, on the grounds that the Law did not (at that time) recognise it as assignable to third parties. as had clearly occurred.

At any rate, with Colvill's death, the Stop of the Exchequer and Lindsay's bankruptcy, it is unlikely that the Church ever received much value for this note.

We may be sure that the Churchwardens, in common with others at that time, were unimpressed with London's earliest experiments with banknotes.

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A closer look at the Bank of England

By George Webb

It is about three years since the publication by Stanley Gibbons of Vincent Duggleby's years of research in British banknotes under the title of "English Paper Money".

Owing to the rapid growth in the number of new collectors entering this field, the law of supply and demand is quickly making many of the projected catalogue prices either out of date, or absolute bargains.

For the benefit of the initiated and to help the newcomer, I feel that we have progressed sufficiently to justify an assessment of the more difficult notes together with current prices.

The main points to be remembered are:

1. Most English notes in a high grade are scarce.
2. No large stock exists.
3. The older issues of the Britannia type were withdrawn and destroyed by the Bank of England ten years before serious banknote collecting started in Great Britain.
4. The English series 1914 to date will prove to be one of the scarcest collector series in the world.

One of the major rarities in the Bank of England series is the white One Pound note signed by J. G. Nairne. It promises to pay Bearer on Demand the sum of One Pound in standard Gold Coin of the United Kingdom. There are only three of these notes known and all are in proof form. One came on the market about two years ago and was sold for £1200.00. Another made £1700.00 at an auction in London early this year.

With the rejection of this historic note of the Bank of England by the Treasury, they issued their own first One Pound note on the 7th August, 1914. This marks the beginning of what is known as the Treasury series. It issued all ten shilling and one pound notes until the 22nd November, 1928. On this date, full legal tender status was granted to the Bank of England, together with the responsibility for the redemption of the Treasury notes which continued in circulation until July, 1933.

In the 14 year period 1914-1928, the Treasury had six distinct issues, with various type-face serial numbers and watermark varieties. Three were signed by Sir John Bradbury and the next three issues had the signature of Sir Norman Fenwick Warren-Fisher, who was appointed Secretary to the Treasury on the 1st October, 1919.

The first One Pound note measured 5" x 2½". It was uniface printed in black gothic script on stamp paper with a

Royal Cypher "G.R." watermark. The ten shilling note was the same size and design, but printed in red with black serial numbers.

It soon became obvious that this fragile paper would not stand up to the wear and tear of circulation. Therefore, on the 23rd October, 1914, a second series was printed on linen rag paper. Excluding watermark variations of the first series one pound, there were nine different type-face serial varieties, and three of the ten shillings, all issued in less than three months. As they all continued in circulation as legal tender until the 12th June, 1920, one doesn't need a slide rule to work out how rare this series really is.

Whilst every collector's aim should be for the best possible condition, the genuine collector is delighted to have any example if a note is rare, and the true rarities soon become obvious by the gaps in his collection. This is something the perfectionist finds difficult to understand, but I can assure him that he will never complete the Bradbury series in uncirculated condition. It should be remembered that rarity in any field of collecting is always a first class investment, whatever its condition.

Scarcity of a given note should be based on the numbers seen or known over a long period. Therefore, in my opinion, the number one position of the first issue £1 note, must go to the unlisted four digit variety with a similar type-face as the T.4 . . . I have only seen two examples. A close second would be another unlisted variety with seven digits in a similar type-face as the T.7. I have seen two of these but two others have been reported.

To briefly cover the notes listed in the catalogue, I have seen ten of the T.3 variety to every one of the T.7. In the case of the ten shilling notes, the T.8 and T.10 are far more difficult to find than the T.9. However, none are really easy, and when a near perfect example comes onto the market, it will sell readily for over £150. The number of collectors without an example of these first issue notes indicate that prices must rise in the not too distant future. Next we come to the second issue where the novice collector soon learns that top of the list is the almost impossible £1. Dardanelles overprint. The ten shilling variety is also quite scarce and both of these notes could well reach double catalogue prices in the next year or two. In addition to the Treasury series, these notes are also in demand by the collectors of military notes, and regarded as a key link in the Turkish series.

T.11. I have seen fewer type 3 than those of types 1 and 2. Likewise, established collectors know that the ratio of T.12 showing against T.13 is about two to one, so there could be another good buy here.

Now we come to the third issue which not only looks like a banknote, but gets my top marks for being the best design ever issued. One can find different shades of print and the

paper varies from white to ivory. The catalogue price is on the low side and there is a growing demand for those with a "Z" prefix, and these are very difficult to find. I have seen a couple of errors in this series with the green overprint omitted and the serial numbers cancelled, but these are extremely rare and prices for Treasury note errors must be very high, £200 plus according to degree of error.

The third issue ten shilling note with black serial numbers was issued for less than three months in 1918. I have seen far more of the first and second issue ten shilling notes, and feel that if these can be obtained at catalogue prices they would be absolute bargains. Double catalogue would be nearer their value. The variety with red serial numbers and its longer period of issue, does not make it much easier to obtain, and in both cases the "dash" type seems to appear most often.

Since the publication of Vincent's book, which has since become the "Bible" to all true collectors of this series, and without which no one should attempt to collect. Twelve £1 trial notes with the same design as the third series came to light. They are much larger than the issued note measuring 158mm x 102mm. However, the engraving on the reverse only measures 95mm x 102mm, giving it a very large white border. I mention this to illustrate the interest in our hobby as they were all quickly sold at £750.00 each. The hobby is still new enough for the novice to discover a previously unrecorded prefix, and it does happen. I can add very little to the N. K. Warren-Fisher issues except that the first and third issues of the ten shilling notes are underpriced in good condition, and the same applies to those with a "Z" prefix in the £1.

In addition to the Treasury series, the Bank of England continued to issue its own £5, £10, £20, £50, £100, £500, and £1000 notes throughout the first world war and the higher values of £10 and over were not discontinued until 1943. Prior to 1969, the Bank of England published figures of the unredeemed notes of £10 and over. With the growing notaphilic interest and to avoid possible speculation, it has declined to give later figures. To what degree those figures were related to the actual number of notes in existence is a subject for conjecture.

The Bank of England received a direct hit by a German bomb on the 9th September, 1940. It is also known that large numbers of notes were destroyed in the blitz on London and other cities in the last war. During the issue period and in the 35 years since they were discontinued, accidents and fires must also have taken a heavy toll.

In the past ten years only four or five of the £1000 notes have been recorded and from my own personal research, I am doubtful if more than one or two other examples really exist. Therefore, if one applies the law of average on the other denominations, what percentage of the recorded un-

redeemed notes really exist and how many are in a collectable condition? This cannot apply to pre-1900 notes because one soon learns that one is in a field of such rarities, where to have any example is an achievement. Owing to this fact the prices quoted are purely academic as they bear little relation to their rarity but on the number of collectors, and the amount they would be prepared to pay. Therefore, they will prove an excellent investment.

Owing to collectors of long standing concentrating on trying to complete their ten shilling, £1 and £5 series, there has been little movement in the high value notes and those of the last century. Not only are these prize items for the affluent collector, but the investor is beginning to see the potential upsurge in value. One should not overlook the modern series in which many notes have proved to be a good investment. Look for the low issues, a split prefix, the replacements, and the popular first and last issues of each Chief Cashier which is the only way to obtain true continuity of the series. In addition to a few scarce error notes, no collection could be complete without the rare "R" variety signed by L. K. O'Brien, or the thirteen different prefix type "G" notes signed by J. Q. Hollom and J. S. Fforde.

The increasing number of new collectors to the British series shows it is a most interesting and challenging hobby, coupled with an investment performance many would envy.

The Hyperinflation of Germany

By Edward Atterton

At the end of the First World War, one could have purchased 500,000,000,000 eggs for the same price as that of one egg in 1923.

At the height of the inflation, the number of Marks to the Pound equalled the number of yards to the sun.

Based upon the pre-1914 values of the Mark and of the Pound Sterling, a postage stamp in 1923 was costing the equivalent of £148,000,000.

In 1914, the German Mark, the British Shilling, the French Franc, and the Italian Lira were all worth about the same; in October 1923, it would have been possible to exchange a Shilling, Franc or Lira for 1,000,000,000,000 Marks.

INTRODUCTION

Collecting old bank notes has been a source of pleasure to our family: it helped me recently when I had to write an essay for my school "O" level history examination and I decided to use my knowledge of German inflation currency to write on "The Hyperinflation of Germany".

My investigations have not only covered the bank notes of the period but the human, social and historical consequences of such a disaster and I have been fortunate in being able to interview several people who experienced the inflation first hand. This article emphasises the approach of revolutionaries that, if you wish to destroy a nation, then you must first corrupt its currency. There is no doubt that the successful financial policy of Germany, particularly since the end of the Second World War, results to some extent from the lessons learned in 1923 that stable money is the first bastion of a society's defence.

THE POLITICAL BACKGROUND BETWEEN THE WARS

Although the German Mark was reasonably stable during the 1914-18 war, declining only to approximately one half of its pre-war value, the seeds of the destruction of the Mark were probably sown by Karl Helfferich who was Minister of Finance from 1915-17. Prior to the war, the Reichsbank insisted that not less than one third of the notes issued had to be covered by gold. Immediately the war commenced, it was decreed that bank notes could no longer be redeemed for gold, which protected Germany's gold reserve, and loan banks were established whose funds could be provided by the simple



device of printing them and, essentially, it was in this way that Germany funded the war.

In contrast, in Britain, and to a lesser extent in France, the war was financed by taxation, particularly of industries to whom the war brought high profits. This, also, was much more socially fair, whereas in Germany an enormous black market and profiteering developed resulting from scarce supplies being chased by an increasing money supply. The money in circulation by 1917 was, in fact, five times what it had been in 1914 and the position grew steadily worse (Table 1). It can be argued that Germany certainly suffered financial as well as military defeat; it issued milliards (1 milliard=1000 million) in the form of war loans and Treasury Bills without withdrawing corresponding amounts in taxes.



Apart from the problems resulting from the defeat of Germany, the immediate post-war period created particular difficulties as the country moved from an empire ruled by an authoritarian Kaiser to a democracy for the first time in its history. The last day of the empire was when Kaiser Wilhelm



Kaiser Wilhelm II: impulsive, erratic, and the sort of ruler many Germans wanted.

He fled on November 9th to Holland and abdicated; immediately the Social Democrats under Friederich Ebert with the support of the military high command cooperated to form a German Republic. Surprisingly, the revolutionary soldiers' and



workers' councils which had been created in major cities in addition to the capital Berlin gave their support to Ebert; these councils were similar to the Russian Soviets and there was a clear fear in the minds of many that the country may

have a major revolution and become a communist state. Ebert and the Social Democrats were opposed to revolution and here he was well supported by Marshall von Hindenburg who remained as head of the general staff.

Until January 1919, the outcome was uncertain with minor revolts including the capture of Ebert by revolutionary sailors for a brief spell of twenty-four hours. However, on the 19th January, elections to the national assembly took place and it is interesting that neither the extreme party of the right, the National Socialists, nor the Communists were successful in obtaining any seats.

A new constitution was soon drawn up, in Weimar in Eastern Germany, and this was still federal with 17 States or Länder, but the Reich government was given the power to control the laws of the States and the vote was given to everybody over 20 years to elect members to the Reichstag on the basis of proportional representation. However, in contrast to many democracies, the President, who was elected independently by the whole country, had the power to dissolve the Reichstag, he was the supreme commander of the armed forces, and he had the right to suspend civil liberties in the event of public disaster.

In addition, although the Weimar Government, as it became known, represented a radical change to the rule of the Kaiser, the control of German industry remained in a few, very powerful hands and there was little change in the social and economic order; certainly workers were now guaranteed an 8 hour day, trade unions were permitted with the right of collective bargaining but the powerful industrialists resisted any significant power to the workers on the industrial scene. As a result, left wing forces and the Communist Party began to grow in strength.

In April 1919, the German government and people were shattered with the severity of the peace treaty being laid down by the Allies in Versailles. Apart from the loss of her overseas colonies, Germany lost a significant amount of her European territory: Alsace-Lorraine went to France, East Prussia was separated from the rest of Germany by the Polish corridor and many other small areas were transferred to Belgium, Denmark, Lithuania and it was also decided that there would be a vote in Upper Silesia to decide on its transference to Poland as well as making Danzig a free-port. Apart from this, the left bank of the Rhine was to be occupied by the Allies for up to 15 years and the coal mines of the Saar were to be worked for the benefit of France. As discussed in detail later, the most crushing blow was the reparations demanded from Germany, coupled with the large reduction in the size of their armed forces, so that they were powerless to show any resistance to any demands.



The fact that the Weimar government had to accept these peace terms, which were considered totally humiliating by nearly every German, weakened the position of the government and they were classified with many as traitors who had betrayed the country; it was not accepted that Germany had been defeated on the battlefield. There were various changes of government during the next two years but, essentially, it was parties of the centre who formed and supported the government. However, the decision in March 1921 to divide Upper Silesia between Poland and Germany and, in April 1921, the full magnitude of the reparations caused tremendous damage to the reputation of the government who had had no alternative but to accept the terms dictated to them. The voters and members of the Reichstag now began to move from the centre to either the right or the left; there was a permanent threat of such disorders as a general strike, a revolution along the line of the Russian revolution of 1917, or a possible seizure of power by a right wing group backed by the military and industrialists. Political terrorism became widespread and there were many assassinations of important political leaders. These disturbed conditions, coupled with the inflation which was now growing, rapidly created conditions very fertile to extremist organisations such as the Communists and particularly the National Socialists under Hitler.

The position deteriorated even further when the French occupied the Ruhr on January 11th, 1923; as is described later, this tipped the Mark over the edge and it fell out of control until the introduction of the Rentenmark on November 20th, 1923. A state of emergency was declared under the Weimar constitution by President Ebert and there were periodic uprisings by the Communists in different parts of the country and



Hitler's famous "putsch" to seize power in Munich on November 9th, 1923, which failed. With the stabilisation of the inflation and the currency by Dr. Schacht, conditions showed some return to normality and the state of emergency was lifted in February, 1924.

However, although conditions improved markedly for many, the unemployment situation became a major problem. President Ebert died early in 1925 and Hindenburg was elected President in his place; he was a renowned militarist, supporter of the right and an avowed opponent of greater rights to the workers and particularly of communism. However, although the left wing objected to him in many ways, he was respected by the majority of the German people. His appointment started a period of prosperity for Germany, although it was somewhat precarious as it was mainly dependent on foreign credits. With the Wall Street crash in October 1929, conditions again deteriorated and paved the way for the rise of the Nazis to power. Violence between left and right became widespread, encouraged by unemployment which passed the 4 million mark in early 1931 and reached 6 million only one year later.

In March 1932, Hitler stood for election as President opposing Hindenburg; Hindenburg just failed to achieve the necessary absolute majority but did so on the next ballot in April. However, those who felt that this would be an obstacle to Hitler were soon disillusioned when the re-elected President withdrew his support from the government under Brüning. von Papen succeeded him and, although opposing the Nazis initially, he ultimately formed a coalition with them and Hitler was elected Chancellor of Germany although the Nazis actually only held 3 out of the 11 seats in the cabinet.

Although a few more steps had to be taken by Hitler before he assumed total power as a dictator, his election as Chancellor on January 30th, 1933, was the effective end of

the Weimar constitution. Hitler introduced no new constitution to replace it—it just disappeared.

THE INFLATION GATHERS MOMENTUM

Perhaps the event of greatest significance to the future of the Mark was the enormous reparations in both money and kind that Germany had to pay to meet the Allies' costs. The final sum for reparations was not, in fact, settled until the 27th April, 1921, when Germany's total liability was fixed at 132,000 million gold Marks.

The cost of living in Germany by 1919 had already risen by more than twelve times compared to the beginning of the war, whereas it was only four times in Britain and seven times in France. The scene was now set for the most devastating collapse of currency that any major industrialised country has ever experienced.

Speaking to people who experienced the inflation, it is fascinating that each week they believed that the position could get no worse and yet each week it generally did get worse, apart from odd moments when it seemed that sanity may have returned. I have heard from a German banker that the start of total collapse—the point of no return—probably came in August 1921 when the German banks started to buy foreign currency at any price. Tables 2 and 3 illustrate the exchange rate of the Dollar versus the Mark and the Pound versus the Mark over the period of the inflation and it can be seen that it was not a steady deterioration but something that happened in tremendous surges.

In the confusion of the time, the government did not stop the rush into foreign currency as they believed it would ensure that German industry could compete with foreign countries and, therefore, avoid the danger of unemployment. The demands of the workers could be satisfied by increasing their wages markedly in really worthless paper money which would help to reduce political troubles and rioting which frequently erupted.

It was at this time that the right wing in Germany started to establish the myth that the German army had not been defeated during the war but had been stabbed in the back and this was frequently associated with anti-semitism, in which Hitler and the developing Nazi party played a growing role. It was forgotten that the German Commander, Ludendorff, in the last month of the war had pleaded with the German government to make peace on virtually any terms as the army could not hold out for more than 48 hours.

By the 20th August 1921, there were already 312 Marks to the Pound and this reached over 400 Marks to the Pound one month later. The British Embassy reported that the "daily creation of fresh paper money which the government required in order to meet its obligations both at home and abroad

It is interesting to note also that the stock market was reasonably buoyant during this period; people tried ideally to buy foreign currency, or, alternatively, land, houses, machinery, furniture, antiques. Shares represented a stake in the assets of German industry and, in Mark terms, their value moved upwards very rapidly. The philosophy behind buying shares was that one could exchange valueless paper money for a possibly more valuable paper share which was backed by the assets of the company.



THE BEGINNING OF HYPERINFLATION

Today, we are justifiably alarmed with inflation rates into double figures and despair when we hear of countries such as the Argentine with annual rates of about 600%. This is the rate which the economist, Milton Freedman, defines as hyperinflation—viz. the moment at which price rises exceed 50% per month or an annual rate of 600%. It is strange that, in Germany in the 1920's, everybody thought that the need to increase the amount of paper money was a symptom of inflation and not its cause.

It was believed that the main reason was the country's unfavourable trade balance due to reparations; it was never considered that the country was living beyond its means, that the level of employment was higher than could be afforded, that luxuries were being consumed at home and that most people were avoiding paying meaningful taxes. Union demands then were still for higher wages to meet higher prices, rather than for stable prices and a stable currency. During the last week of November 1921, 4.5 milliards of bank notes were issued, which was practically the entire note circulation before the war.

At the same time, it was disturbing, particularly for the older generations, to see the moral decline of the country; community spirit and patriotism disappeared as greed and basic self-survival at all costs flourished. To many, the rebirth of German pride became vital and this was a longing that Hitler sensed and realised that he could exploit to advantage. The suffering of people is difficult to visualise and describe; skilled workmen and labourers through their unions and the strike weapon were generally able to get their wages up roughly in line with the necessities of life and by mid-1921 were demanding about 100,000 Marks per year. In contrast, doctors, teachers, bank clerks, secretaries, professionals and particularly those living on pensions, were left far behind. The maximum yearly salary of a trained bank clerk was some 12,000 Marks per year. This figure must be viewed against the minimum weekly budget of a four person family which rose in July 1921 from 2,300 Marks to 2,800 Marks per week; thus, the bank clerk could only feed his family for about one month on his total year's salary (Table 4).

It is difficult to imagine the chaos and despair that these conditions created; the rise in prices resulted in a permanent shortage of bank notes, cheques went out of fashion as their value drained away if there was any delay in cashing them. Emergency paper money, known as Notgeld, had been introduced during the war; these notes, issued by towns and industrial concerns, were now guaranteed by the Reichsbank; such a move only stoked up the inflationary fire, and, although such notes were attractively designed, people were unwilling to accept them as payment.



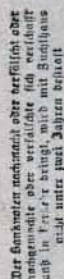
Of course, such inflationary conditions benefitted some, particularly those who were able to borrow; stories are told of people borrowing money to buy a farm and repaying the loan only a few months later by the sale of a cartload of potatoes from one of the fields of the farm. By buying commodities, especially food, with borrowed money, the debt could be repaid by selling a small fraction of the original purchase. The only thing to do with cash was to convert it into something of value and, as often happens, the rich and the strong came off best.

The position was now such that Germany could not meet formally her reparation payments. The French Government insisted that the default was intentional and, on 11th January 1923, they moved troops to occupy the Ruhr Zone with the declared aim of bringing Germany to her senses and compelling her to pay up. The shock to the Germans was tremendous and it united the people and clearly made them believe that they should re-arm at the first opportunity; a policy of passive resistance was declared in the occupied areas and hardly anyone worked and machinery, transport, etc., did not run. The occupation resulted in a loss of revenue to the German Government whose budget was already sadly out of balance; in the last nine months of 1922, revenue from taxation and duties was 324 milliard Marks whereas Government expenditure in the same period was 1,173 milliard Marks and the deficit was made up by printing notes for about 850 milliard Marks.

The tremendous surge in note issue is shown in Table 1 and the incredible comment was made by Dr. Havenstein that he could print an issue in one day of nearly two thirds of the total notes in circulation. He genuinely, but so mis-guidedly, believed that this would help people to purchase goods and enable commerce and industry to continue.

The occupation of the Ruhr was perhaps the most devastating blow to the Mark and, from then on, it shrank away to

It was at the end of January 1923 that the Reichsbank circulated the first 100,000 Mark note, then worth only 10 shillings, and a million Mark note was to be issued in only three weeks' time; much bigger denominations were to follow.



Berlin, den 25. Juli 1923



Hunter & Harapp
 Hunter & Harapp
 Hunter & Harapp



From the Government's point of view, there was virtually no possibility of balancing expenditure against their income derived from taxation; although the lower paid workers were taxed on payment, others had to fill in returns which were rapidly out of date and meaningless by the time that they were dealt with by the taxation authorities. In April and May of 1923, the Government's income was only some 30% of its expenditure but the position soon became very much worse and, by the end of August 1923, Government income represented only 0.7% of expenditure.

The despair of the people, particularly the middle classes who suffered most in the early stages of the inflation, was

widespread and they simply did not understand what was happening; old social and moral values disappeared and fear, greed and demoralisation became rampant. Petty crime and robbery were widespread; brass name plates on doors were removed during the night, lead was stripped from the roofs of buildings and churches. Barter became a major method of trade and there are stories of a cinema seat costing a lump of coal, a bottle of wine for a few potatoes. Foreign students with foreign exchange were able to buy apartment blocks for a fraction of their allowance. The price of a restaurant meal was more than when ordered because the prices changed even within the hour; a cup of coffee ordered at 5,000 Marks would cost 8,000 Marks by the time that it was drunk.

All old values had disappeared, typefied to many by the withdrawal from circulation of the 1,000 Mark note on July 1st, 1923; it had once been the highest value note and now cost more to print than it was worth and notes of 10, 20 and 50 million Marks issued towards the end of July were now daily currency.

At this time, indexation was introduced so that wages, taxes and prices were adjusted to the change in the cost of living. By August and September, the multipliers became enormous and people needed to be good at arithmetic to work out basic prices. In the Press, a newspaper costing about 5,000,000 Marks, the day's prices were published and Table 5 shows a typical example. The most ordinary purchase took 3-4 minutes calculation as there were different indices for different trades or class of goods and the notes took many minutes to count out. People recall the groups that gathered around the radio to listen to the twice per day announcement of the exchange rate of the Mark against other currencies, especially the Dollar and the Pound. In a somewhat lighter vein, a young boy at the time recalls that, on receipt of his pocket money, he would race to the local toy shop to pass it over in receipt for which he obtained points towards a meccano set whose price steadily galloped away from him.

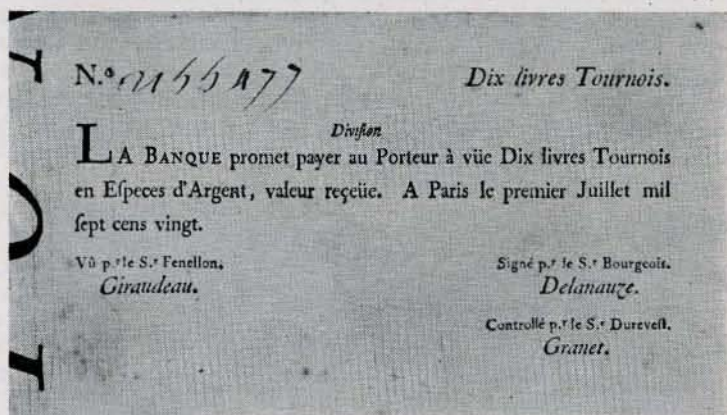


And still the bank notes were turned out in vast quantities; at the height of the inflation, 30 paper mills with 150 printing firms and 2,000 printing presses worked night and day to produce mountains of notes. This total chaos resulted in the collapse of the Government of Dr. Cuno, and Dr. Gustav Stresemann, the leader of the anti-socialist businessman's party, became Chancellor.

In August and September, looting of shops in the cities and invasion of the countryside by workers to steal food and cattle became widespread and the inevitable happened on September 26th when a state of emergency was declared and Germany became a military dictatorship. People had no enthusiasm for democracy and the new right wing government advocated a policy of hard work and longer working hours.

THE RENTENMARK

The solution to these problems had to be by the creation of some confidence and a lot of luck. On September 18th, plans were announced for the creation of a new note issuing bank to be known as the Boden Credit Bank and soon after as the Rentenbank, whose notes were not backed by gold but by mortgages on both agricultural land and industry. This was an old approach, adopting the system proposed by John Law, a Scotsman, in 1716 to the French Government and one of the greatest confidence tricks of all time and to be followed by the notes of the French revolution some 75 years later which were backed by land and soon proved worthless.



The Rentenmark was the idea of Dr. Luther and of Dr. Schacht, the latter being a remarkable man who became well known as Hitler's Finance Minister some ten years later. Dr. Schacht was appointed Minister of Economic Affairs by Hitler on August 2nd, 1934, but resigned on November 26th, 1937,

as he was opposed both to the amount of expenditure on armaments and to the method of financing and expenditure by a budget deficit. Initially, the Rentenmark was viewed as just another note. However, Dr. Schacht was appointed Commissioner of National Currency on November 13th, 1923, and, on November 20th, when the current Mark equalled one million-millionth of the gold Mark, the Rentenmark was made equal to a gold Mark and the conversion from current Marks was simple; one simply had to cross off twelve noughts—possibly a stroke of luck. The real backing behind these new notes was illusory but people craved for stability and suddenly it came. At the same time as its issue, further credit effectively to the state itself was stopped and a floating or drowned Mark was replaced by one of fixed parity against gold and the Dollar. People began to keep notes rather than rush to spend them. Issues of other notes such as the Notgeld were stopped. Cutbacks in expenditure resulted in massive unemployment with large numbers of railway and industrial personnel being dismissed and official salaries were reduced to the pre-war level.

It was an odd twist of fate that Dr. Havenstein, the driving force behind the printing process and a major cause of the inflation, actually died on November 20th which is the day that the inflation is officially considered to have stopped. On November 23rd, the right wing government was defeated and a new Chancellor, Dr. Marx of the Centre Party, was elected. However, although there were great difficulties ahead, particularly great unemployment, the currency had been stabilised; as has been frequently stated, the choice had simply been between unemployment and financial chaos or unemployment and monetary discipline. Both alternatives meant misery but the second held out the promise of food and some hope.

THE AFTERMATH OF THE INFLATION

The aftermath of the inflation was indeed a very grim time; unemployment became widespread and Dr. Schacht was determined that nothing should be done to damage the budget which was at last within balance. In addition, the balance of trade was in Germany's favour, mainly because imports ceased, as importers had no means of paying for them. Schacht stated that "Stability can only be regained at the cost of a severe crisis". The medicine necessary to achieve stability in late 1923 and 1924 was so much greater than would have been necessary if applied in, say, 1921, but then there was cowardice from the politicians who took a soft option of doing nothing as they feared unrest, unemployment, the resistance of organised labour and there was a feared shadow of communism and the fear of a revolution, with the events in Russia still fresh in everybody's mind.

Food now became plentiful; the biggest importers had ordered goods at the height of the inflation and hoped to pay

in depreciated Marks but they were now in many cases driven to bankruptcy and dumped their stocks on the market. Early in 1924, people remember masses of food imports at very low prices in the shops with such delicacies as South African pineapple, American corned beef, French pate, but the majority of the population were unable to buy much as they had no money and had, in fact, lost everything during the inflation. The unemployed suffered tremendously and many workers were on strike in protest at the re-introduction of a ten hour working day compared to the previous eight hours.

The introduction of the Rentenmark put a temporary stop to Hitler who was tried for subversive activities in February 1924, although he was able to get away with only a minimal sentence and the trial gave him valuable publicity, which he used to advantage later. However, major shifts had taken place in German industry; although, before the war, shares had been widely held in industrial companies by the middle and upper classes and many people rushed into buying shares as a refuge for money during the inflation, most people eventually panicked into selling them or were forced to do so in order to buy food and the shareholdings were now concentrated in a relatively few hands. This was to be of the utmost importance in the 1930's in that many industrialists tended to support Hitler and aided his election to power. Inflation left a badly shattered group in the middle classes; judges, army officers, lawyers, architects and authors whose services had been of no interest to anybody in the desperate time of galloping inflation. In addition, unorganised labour such as painters, gardeners, laundry workers, porters, had suffered and, in many cases, died from virtual starvation. These people represented very fertile ground for political exploitation at a later date. Interest rates remained high at 100% per annum in early 1924 but gradually declined to 30% by May of that year.

However, by 1925, the horrors of unemployment that had deferred the necessary action in 1921, now took place. Unemployment reached 2 million with many on short time and was much worse in the early 1930's; although the Mark was now stable, the French Franc was devaluing rapidly and, therefore, French industry had a competitive advantage over Germany, and French goods swamped much of Europe. Within Germany, steelworks, ship builders, engineering factories, car producers, closed their factories, in many cases for good, and a large number of workers were laid off.

CONCLUSIONS

(1) The most important conclusion that can be drawn from the hyperinflation of Germany is that such chaos destroys human values and particularly consideration for one's fellow man. The psychologists tell us that there are various levels of human motivation: at the bottom, food and water

for today, shelter, food and water for tomorrow and then the organisation of the community, and interest in the finer things of life such as the creative arts and luxuries and, above all, thought and help for others. The inflation reduced the values of many, virtually to an animal level, and changed people's motivations to the basic level of self-survival. With the lower paid, stealing and prostitution became relatively commonplace; prosecuted crimes were 50% higher in 1923 compared to, say, 1913 or 1925. Such activities were preferable to starving and seeing one's family die. The middle, and frequently upper classes, resorted to fraud, bribery and corruption on an incredible scale, and some people were tried for such offences in 1924. Everybody resorted to tax evasion where possible and many played the stock markets, not as a form of saving or of investment, but because it was easier than work and brought much greater rewards. The high ethics of the majority declined rapidly and on a massive scale and people resorted to blaming anybody for their problems and, as has so often happened in history, the Jews bore the brunt then, and ultimately paid a tragic and horrific price from the Nazi persecution of the Jews, particularly during the Second World War.

(2) Secondly, it would be probably wrong to conclude that the inflation brought Hitler to power. However, it is very probable that, without the inflation and without the industrial collapse in 1929 and the early 1930's, prompted by the Wall Street crash in the United States, Hitler would never have come to power. Such dictators and tyrants thrive on human misery and the resultant lack of feeling for one's fellow men; it should never be forgotten that Hitler was elected constitutionally by the German people, all of whom were still scarred by the inflation.

(3) Thirdly, the German experience shows us that, once inflation gets out of control, it is very difficult to stop; as Tables 2 and 3 illustrate, it gains momentum at a frightening pace. Politicians do not like doing unpopular things to the majority of voters. They take too frequently a short term view, particularly in the democracies, as they are anxious to be re-elected. However, a firm hand when inflation begins to rise, say, into double figures, particularly when coupled with a considerate welfare system to the unemployed, will prevent the much greater misery that occurs if inflation gets out of hand and it is the weaker and the defenceless members of society who always suffer much more. Inflation almost invariably occurs when governments spend more than they receive in revenues and then finance the difference by increasing the money supply.

(4) We learn the obvious that war is the most unproductive of man's activities; it produces little and destroys an enormous amount. Its consequences are felt long after the war is over, particularly when the victor is anxious for vengeance over the defeated. Reparations particularly prevented

Germany from having any chance of recovery from the wasteful devastation of war; the occupation of the Ruhr in 1923 created the desire to see a strong Germany re-armed so as to protect her honour and pride and avoid the humiliation which every German felt at that time. Possibly resulting from the fact that German soil was not ravaged during the First World War, and there was a myth that they had not been defeated on the battlefields, the seeds had already been sown for Hitler to lead Germany, and much of the world, into the Second World War.

(5) Finally, the scars of such a terrible experience as the hyperinflation take many generations to heal. After the last war, when Nazi Germany had again followed the policy of spending more than was being received in taxes, there was inflation. In 1948, the Reichsmark was abandoned and



people received only one new Deutschmark for every ten Reichsmarks and, once again, there was suffering, particularly for the thrifty. However, the German government under Chancellor Adenauer, who had been very actively involved during the inflation as Mayor of Cologne, took a firm line and the inflation was quickly contained. Even today, the German government shows a strong and understandable reluctance to reflate their economy with the danger of inflation; this is due to the shadow of the hyperinflation of 1923. The result has been that the Deutschmark is today one of the strongest currencies in the world and has lost only two thirds of its purchasing power since 1948—bad enough but so much better than almost any other currency.

June 1978

TABLE 1

CURRENCY IN CIRCULATION (one milliard=1,000,000,000)

Marks

Before war	6 milliards in circulation
December 1919	35 milliards in circulation
July 1922	200 milliards in circulation
February 1923	Being increased by 450 milliards per week
March 1923	Being increased by 800 milliards per day
June 25, 1923	Being increased by 960 milliards in the day
June 26, 1923	Being increased by 1523 milliards in the day
July 11-20, 1923	Being increased by 2000 milliards per day
early August 1923	Being increased by 15,000 milliards per day
August 17, 1923	Being increased by 20,000 milliards in the day
last week September, 1923	Being increased by approx. 550, million, million per day
end of October 1923	Total bank note circulation: 2,496,822,909,038,000,000 Marks
mid November 1923	Being increased by 12 million, million, million Marks per day

TABLE 2

VALUE OF THE MARK COMPARED TO THE DOLLAR

DATE	NUMBER OF MARKS A DOLLAR WOULD BUY
Before the War	4.20 Mk.
End of 1914	4.60
1915	5
1916	5.50
1917	6.40
1918	7
1919	42
1920	70
1921	185
1922	7,350
Jan. 1923	49,000
Feb. 1923	27,300
Mar. 1923	20,975
Apr. 1923	29,800
May 1923	69,500
June 1923	154,500
July 1923	1 Millionen (Million)
Aug. 1923	10 Millionen
Sep. 1923	160 Millionen
Oct. 1, 1923	242 Millionen
Oct. 10, 1923	3 Milliarden (Billion)
Oct. 20, 1923	12 Milliarden
Oct. 31, 1923	73 Milliarden
Nov. 1, 1923	130 Milliarden
Nov. 10, 1923	630 Milliarden
Nov. 15, 1923	2 Billionen (Trillion)
Nov. 30, 1923	4.2 Billionen

TABLE 3

CONVERSION TABLE

MARKS TO POUND STERLING

(in 1923, official and free market
exchange rate varied enormously)

mid October 1921	500
October 26th 1921 (League of Nations decide that Upper Silesia to be partitioned between Poland and Germany)	600
mid November 1921 (lack of foreign loans or credits)	1,040
late November 1921 (food riots in Berlin)	1,300
December 1921 (hope that Allies will not demand reparation payment in gold for next January and February)	750
end January 1922	850
March 1922	1,400
June 1922 (assassination of Rathenau)	1,600
beginning July 1922 (general strike in Berlin)	2,200
mid July 1922	2,430
end August 1922	9,000
October 1922	13,000
mid November 1922	27,000
end November 1922	34,000
Christmas 1922	35,000
January 11th 1923 (occupation of the Ruhr by France)	48,000
end January 1923	227,500
February 20th 1923 (Reichsbank spends last of gold and foreign currency reserves to support Mark)	80,000
April 18th 1923 (first 100 million Mark note)	140,000
May 1st 1923	200,000
May 31st 1923	320,000
June 28th 1923 (not notes less than 100,000 Marks)	680,000
July 7th 1923	800,000
July 23rd 1923	1,600,000
July 31st 1923	5,000,000
August 7th 1923	16,000,000
August 17th 1923 (Havenstein, Pres. of Reichs- bank states that could issue in one day two thirds of total note circulation)	22,000,000
August 24th 1923	25,000,000
August 25th 1923 (obligation to companies to cash foreign currency holdings)	12,500,000
September 11th 1923	315,000,000
October 2nd 1923	1,500,000,000
October 9th 1923 (sums of less than one million Marks were not dealt in)	5,700,000,000
October 10th 1923	7,000,000,000
	(18 milliards free market)
October 15th 1923	18,500,000,000
	(40 milliards free market)

October 21st 1923 (unemployment reached 19% of Union membership—riots and looting across country)	80,000,000,000
October 30th 1923 (1 milliard, 5 milliard and 10 milliard notes ready for circulation)	310,000,000,000
November 15th 1923	12,000,000,000,000
November 20th 1923	18,000,000,000,000 (40,000 milliards free market)

TABLE 4

SOME IDEA OF PRICES (after June 1923, prices are so high as to be meaningless)

	Pre 1914	Oct. 1921	Dec. 1921	March 1922	April 1922	July 1922
Milk Marks/litre	0.15	2.90	4.40	6.00	7.00	16.00
Potatoes Marks/lb	0.05	1.03	1.50			
Butter Marks/lb	1.25		42.00		50.00	
Eggs Each	0.04		2.50	3.60		7.20
Beer Marks/litre	0.10		3.00	5.60		18.00
Petrol Marks/litre			17.00			
	Sep. 1922	Oct. 1922	Nov. 1922	Dec. 1922	May 1923	June 1923
Milk Marks/litre	26.00	50.00			1800	3800
Potatoes Marks/lb						
Butter Marks/lb		480	800	2000		
Eggs Each	9.00	14	22	30	800	2400
Beer Marks/litre	30.00		78	202		
Petrol Marks/litre				686		

TABLE 5**A TYPICAL DAILY INDEXATION LIST AND PRICES**

Tramway Fare	50,000 Marks
Tramway Monthly Season Ticket for one line	4 million Marks
Tramway Monthly Season Ticket for all lines	12 million Marks
Taxis—multiply ordinary fare by	600,000
Horse cabs—multiply ordinary fare by	400,000
Books shops—multiply ordinary price by	300,000
Public baths—multiply ordinary price by	115,000
Medical attendance—multiply ordinary price by	80,000

THE HYPERINFLATION OF GERMANY BY EDWARD ATTERTON**REFERENCES**

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The IBNS Catalog Publishing Venture — an update

Through the following few questions and answers we hope to present the facts surrounding this long-range project, and we will be glad to hear from any member about any phase of this work.

1. What does the I.B.N.S. catalog publishing venture consist of?

A. This is a long-term project undertaken by the I.B.N.S. to develop and publish in-depth catalogs on specific countries of the world, eventually most or all of them. The original basis for this work was the manuscript prepared some years ago by the late Dr. Arnold Keller. This manuscript was superb for its day, but the chapters themselves have been found to need a great deal of updating and revising in accordance with information not previously available. Thus each section has to be edited thoroughly and of course changed into the format you see in Volumes I and II already published.

2. What countries have already been published, and what areas are under preparation at this time?

A. Vol. I covers Singapore, Straits Settlements, British North Borneo, Sarawak, Malaya, Malaysia and Brunei. Published in 1973, Vol. I is no longer available through I.B.N.S., but occasionally copies are offered by various dealers from time to time. Vol. II was published in 1975, and it covers Belgium and former colonies. Besides a wealth of historical background data the notes of Belgium are presented in their entirety from the 1830's to 1974. Following that section is a most important chapter on Local Emergency Issues: 80 pages on the 1914-18 period, 24 pages on notes of 1939-45, and 7 pages on notes of Belgian psychiatric institutions. None of these had been published in English before, and some were apparently not published previously in **any** language. Following are sections on notes validated for redemption, Belgian Army Notes, and Miscellaneous. Independent Congo and Belgian Congo come next, followed by Ruanda-Urundi, Congo Republic, Zaire Republic, Katanga, Rwanda-Burundi joint issue, Republic of Burundi, and Republic of Rwanda. A great many illustrations are provided throughout these volumes, along with valuations. Preparation of such volumes takes a tremendous amount of time, all of it donated by the Editorial Committee members.

Volume III will be on Spanish Civil War issues from a manuscript finished and donated to I.B.N.S. by member Kenneth Graeber. These issues were not covered in Keller's manuscript. Publication is anticipated before the close of 1978. This is another "first" as there is no catalog in **any** language covering these issues, insofar as we are able to determine.

Volume IV will most likely be on Japanese issues, perhaps the government notes and one or two other sections. A few other countries are in the hands of several individuals for updating but are not anywhere near ready for final editorial work, illustrating, pricing, etc. We have a fine manuscript on Brazil at hand, but it needs to be transformed into our format.

3. How does this I.B.N.S. publishing project fit in with the Pick book which already covers notes of the world?

- A. While there is, of course, a degree of overlap between I.B.N.S. and Pick, the I.B.N.S. work contains sections on local notes plus heavy emphasis on as much historical text as can be obtained. In addition, the I.B.N.S. work is close to being fully illustrated and uses larger size illustrations. In effect, each kind of catalog should make the other more useful, and we see no real conflict between them at all.

4. Why is there such a long delay between I.B.N.S. volumes?

- A. This is the most often asked question of them all. As mentioned before, some sections of the work are being updated by several individuals in preparation for the final steps towards publication. However, it has been an unfortunate but true circumstance that not one of the sections when handed over to the Editorial Committee was anywhere near final form. What has to happen, then, is for one member of the Committee to initiate a first rough typed copy approximating the desired format. This goes to another member for critique of style and content, then sent back for another attempt at the chapter — this time paying attention to the new suggestions of the critique if they are found to be acceptable. The second typed copy is then sent out and again reviewed, often necessitating still another typed copy to be begun. After all this "cleaning up" and finishing in the needed style, photos and other embellishments are inserted until the section is ready for publication. The above steps describe exactly what has taken place with Volumes I and II, and which has already taken place with some of the Japanese manuscript. The whole process is obviously very time consuming, especially if the material being worked on has never been published in English. So very much depends on the state of the "finished" manuscript

section as turned over to the Editorial Committee. For some reason no one wants to take the time to finish his chapter according to the published format as found in Vols. I and II. Again, the single most costly item time-wise is the transformation of a section into the approximate format desired.

5. How can a member become involved with the I.B.N.S. publishing project?

- A. All one has to do to become involved is to write the Editorial Committee I.B.N.S., Mrs. Adolph B. Hill, Jr., 709 S. Skinker Blvd. Apt. 801, St. Louis MO 63105 and tell her what you'd like to do or what section or country interests you most. Of course, you have no time for such work — no one does — so set aside that excuse and really take a hard look at the project and what you can do to further it along. Are you a specialist in some area, and would you like to put your knowledge to good use? The success of the project will ultimately depend on the willingness of members to step forward and assume some of the responsibility. May we hear from you — today? We would be most pleased to receive your letter!!

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